

The following Listing of Claims replaces all prior listings, and versions, of claims in the subject patent application.

**Listing of Claims:**

Claim 1 (currently amended): An apparatus for separating from a liquid mixture, first and second liquid components, wherein the first liquid component has a greater density than the second liquid component, the apparatus ~~including~~ comprising a vessel having an inlet through which the mixture is introduced into the vessel, and an outlet through which separated first liquid is in use discharged, and there being a separating member within the vessel, ~~the mixture being constrained to contact the separating member,~~ the separating member including material which adsorbs the second liquid component, the separating member being adapted to move in the vessel downwardly in response to an increase in the weight thereof as second liquid is adsorbed, ~~characterised in that and wherein the inlet is positioned above the outlet, and the outlet is positioned towards a bottom of the vessel, so that the mixture passes down through the adsorbing separating member and is constrained to contact the separating member, as it flows from the inlet to the outlet.~~ ~~separating member is adapted to move in the vessel downwardly in response to an increase in the weight thereof as second liquid component is adsorbed.~~

Claim 2 (canceled).

Claim 3 (canceled).

Claim 4 (currently amended): An apparatus according to claim ~~2~~ 1 wherein ~~characterised in that~~ the inlet is positioned at a height between a top and bottom of the vessel generally at a level at which a lower part of the separating member is located prior to any second liquid being adsorbed thereby.

Claim 5 (currently amended): An apparatus according to claim 1 ~~characterised in that~~ wherein the outlet of the vessel is connected to an upwardly extending chamber which itself has an outlet for the first liquid component, the liquid level in the vessel being governed by the height of the outlet from the chamber.

Claim 6 (currently amended): An apparatus according to claim 5 ~~characterised in that~~ wherein the upwardly extending chamber includes a filter means for filtering from the first liquid component any entrained matter and/or residual second liquid component.

Claim 7 (currently amended): An apparatus according to claim 1 ~~characterised in that~~ wherein the separating member is adapted to float in the vessel at a level determined by the volume of second liquid adsorbed thereby.

Claim 8 (currently amended): An apparatus according to claim 7 ~~characterised in that~~ wherein the separating member includes a float to increase the buoyancy of the member so that prior to the adsorbing material of the separating member adsorbing second liquid component, the separating member floats so that a lower part thereof is at a desired height in the vessel.

Claim 9 (currently amended): An apparatus according to claim 1 ~~characterised in that~~ wherein support means are provided to support the separating member in the vessel so that prior to the adsorbing material of the separating member adsorbing second liquid component, a lower part of the separating member is at a desired height in the vessel.

Claim 10 (currently amended): An apparatus according to claim 1 ~~characterised in that~~ wherein the adsorbing material of the separating member is oleophillic such that the separating material is active to adsorb from a liquid mixture of oil and water, oil.

Claim 11 (currently amended): An apparatus according to claim 10 ~~characterised in that~~ wherein the inlet receives liquid mixture being liquid condensate from an air compressor machine.

Claim 12 (currently amended): A method of separating from a liquid mixture, first and second liquid components, wherein the first liquid component has a greater density than the second liquid component, the method ~~including~~ comprising introducing into a vessel through an inlet which is positioned above an outlet from the vessel, so that the mixture is constrained to pass downwardly through and into contact with thereof the mixture, ~~constraining the mixture to contact~~ a separating member in the vessel, which member includes a material which adsorbs the second liquid component, and discharging from the vessel through an outlet thereof separated first liquid component, ~~characterised in that~~ and wherein the separating member is adapted to move in the vessel downwardly in response to an increase in the weight thereof as second liquid component is adsorbed thereby, and mixture is introduced into the vessel until the separating member has moved to a low position in the vessel.

Claim 13 (currently amended): A method according to claim 12 ~~characterised in that~~ wherein the method includes filtering any entrained matter and residual second liquid component from a separated first liquid subsequent to contacting the mixture with the adsorbing material of the separating member.

Claim 14 (currently amended): A method according to claim 13 ~~characterised in that~~ wherein the separated first liquid component is discharged from the vessel prior to filtering.

Claim 15 (previously amended): A method according to claim 12 ~~characterised in that~~ wherein the liquid level in the vessel is controlled by the level of an outlet from an

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upwardly extending chamber which is connected to the vessel outlet.